



INDEPENDENT AUDITORS' REPORT

To,
Tangkhul Theological Association (TTA)
Ukhrul, Manipur

Opinion:

We have audited the financial statements of Project entitled "**Ensuring Social, Ecological and Economic stability of the community in Ukhrul and Kamjong districts, continuation**" vide Bftw Project No. **N-IND-2023-0038** which comprises the financial report/Statement of Receipts and Payments for the six months period ended 31st March' 2024, the balance of the project funds and the statement of cash status at that date. The financial statements have been prepared in all material respects, in accordance with the financial reporting provisions of Cooperation Agreement dated 13-03-2023 between Brot fur die Welt (Bread for the World - Bftw) and TTA, Ukhrul District, Manipur, India.

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Opinion paragraph below:

1. The accompanying financial statements present fairly, in all material respects, the projects receipts/income and payments/ expenditure for the period of six months between **01st October' 2023 to 31st March' 2024** and the financial position and the cash balance of the project at that date;
2. The Legal Holder has complied, in all material respects, to the terms of the Cooperation Agreement between Brot fur die Welt (Bftw) and TTA.
3. The project funds have been used, in all material respects, exclusively for the purposes of the project and in accordance with the Cooperation Agreement.

Basis for Opinion:

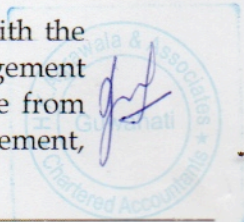
The audit review was conducted in accordance with the International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Project in accordance with the ethical requirements that are relevant to our audit of The Financial statement (jurisdiction) and we have fulfilled our other ethical responsibilities in accordance with these requirements

Emphasis of Matter - Basis of Accounting and Restriction of Distribution:

We draw attention to the fact that the financial statements have been prepared on the receipts and Payments basis of accounting. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for TTA Project No. N-IND-2023-0038 and Bftw. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements:

Management is responsible for the preparation of financial statement in accordance with the financial reporting provisions of the agreement, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statement,





management is responsible for assessing the Project's ability to continue as a going concern, disclosing as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to cease the Project or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the project's financial reporting process.

Auditor's Responsibilities for the Audit of the financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. We believe that our audit provides reasonable basis for our opinion.

Other Matters:

1. We have specifically examined matters stated in the Audit Completion Checklist as prescribed by Bftw. Our confirmation on all the points of the checklist are attached herewith.
2. Accompanying this report is Management Letter containing our findings and observations during the audit and corresponding responses and actions of the Legal Holder.
3. The audit was undertaken on 1st July 2024 at the office of the legal holder at Ukhrul, Manipur.

Place: Guwahati
Date: 09-07-2024

For, H K Agrawala & Associates
Chartered Accountants
FRN: 319293E

Harish Kumar Agrawala

CA Harish Kumar Agrawala
Partner
Membership No.: 054776
UDIN: 24054776BKEXNP6213



Audit completion checklist

Project Partner: Tangkhal Theological Association (TTA)
 Project number: N-IND-2023-0038
 Project Title: Ensuring Social, Ecological and Economic Stability of the community in Ukhral and Kamjong districts, continuation
 Reporting period: 01st October 2023 to 31st March 2024

AA or CA §	Component	Confirmation	Reference to ML §	If not in ML, other remarks/ observations/ explanations/ comments
AA 2.2.1	Under which standard(s) have you reported? (Note: reporting under any other standard cannot be accepted).	<input checked="" type="checkbox"/> ISA 800 only <input type="checkbox"/> ISA 800 (opinion c) and ISAF 3000 (opinions a und b only)		
AA 2.3	Has the audit been conducted in accordance with the International Standards on Auditing?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		If "no", please explain:
AA 2.3	Did the audit team work at the office of the Project Partner, at least for the purposes of obtaining most audit evidence?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		If "no", please explain:
CA 4.1	Have the budgeted local/third party cash contributions been actually received, recorded and used for the project?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		If "no", please explain:
CA 4.1	Have depreciation costs, imputed or other fictitious costs been accounted in the project?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		If "yes", which?
CA 4.1	Have non-monetary contributions (e.g. voluntary work, contributions in kind, use of fixed assets such as motor vehicles or real estate) been recorded as own means?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		If "yes", which?



AA or CA §	Component	Confirmation	Reference to ML §	If not in ML, other remarks/ observations/ explanations/ comments
CA 4.5	Has a separate bank account been opened for the project and have all project relevant income been transferred to this account?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		If "no", please describe how project funds are separated from other funds:
CA 4.10	Have any indications been identified that the Project Partner may be unable to provide its own contribution as defined by the ratio of funding?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		If "yes", please explain:
CA 4.12	Has expenditure been accounted under the main expenditure item "Reserve" and was it duly authorised by Brot für die Welt?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		
CA 4.17	Have payments to third parties (debit notes) been reported in the appropriate place on the financial report?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		Not Applicable as no payment was made to third party during the reporting period.
CA 4.18	Have the project funds transferred by Brot für die Welt been spent within the specified time? Does the fund balance at the reporting date indicate that the requests for transfer of funds have been overstated? Does it result in a considerable amount? (see page 3 of the financial report)	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no <input type="checkbox"/> yes <input checked="" type="checkbox"/> no		The Closing balance of Rs 3,97,799.37 relates to fund received on 14-03-2024. If "yes", please explain the cause of the considerable amount:
CA 4.20	Have interest gains been properly recorded, reported in the financial report and used for the project (if applicable)?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		Bank interest of Rs. 19,519/- received by TTA has been properly recorded and reported in the financial report. Moreover the same is used for the project.
CA 4.21	Does the Project Partner hold proper title to any immovable assets/buildings acquired with project funds and are they used for the purposes of the project?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		Not Applicable as no immovable assets has been acquired with the project fund.



AA or CA §	Component	Confirmation	Reference to ML §	If not in ML, other remarks/ observations/ explanations/ comments
CA 4.24	Did the Project Partner adhere to the legal regulations and provisions for insurance, taxes and social security and were payroll deductions etc. paid to the appropriate authority by the due dates?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
CA 4.25	Have all other relevant local/national laws and regulations been complied with?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
CA 4.26	Have provisions and/or reserve funds been created from project funds?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		If "yes", please describe nature and respective legislation:
CA 4.26	Have provisions other than required by law and/or reserve funds been created from project funds?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		If "yes", please describe:
CA 5.1	Does the project partner have a cost sharing policy?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		
CA 5.1	Can the project partner provide receipt lists with invoice date and meaningful posting text that assign the receipts to the expenditure items?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
CA 5.3	For all goods and services exceeding EUR 1,000 was a proper tendering process applied (at least three offers) and the decision properly justified and documented?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
CA 5.4	Is there an inventory (fixed asset register) of all movable assets purchased with project funds with a value exceeding EUR 410 and have those assets been inspected?	<input checked="" type="checkbox"/> yes <input type="checkbox"/> no		
CA 6.1	What is the accounting basis for the financial reports?	<input checked="" type="checkbox"/> cash basis <input type="checkbox"/> modified cash basis		Please describe briefly the modifications (if appropriate):



AA or CA §	Component	Confirmation	Reference to ML §	If not in ML, other remarks/ observations/explanations/comments
	If the modified cash basis was used: Have debtors/prepayments and liabilities been analysed and reported in accordance with the structure of the approved budget?	<input type="checkbox"/> yes <input type="checkbox"/> no		
CA 8.1. b and c	Is the pledge/mortgage of project assets and funds imminent, have insolvency proceedings been applied for or opened, or has the Project Partner's liquidation been decided?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		
CA 8.1. d	Have changes regarding the bank account signatory/ies been made (see "project information sheet")?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		
CA 8.1. e	Have any changes regarding the staff authorised to legally represent the Project Partner been made (see "project information sheet")?	<input type="checkbox"/> yes <input checked="" type="checkbox"/> no		

Place: Guwahati
Date: 09-07-2024

For, H K Agrawala & Associates
Chartered Accountants
FRN: 319293E

Harish Kumar Agrawala

CA. Harish Kumar Agrawala
Partner
Membership No.: 054776
UDIN: 24054776BKEXNPP6213





To,
Tangkhul Theological Association (TTA)
Ukhrul, Manipur

Dear Sir,

MANAGEMENT LETTER

This Management Letter is provided in connection with Project Title: "Ensuring Social-Ecological and Economic stability of the community in Ukhrul and Kamjong districts, continuation" Project No.: N-IND-2023-0038, a project of TTA, Ukhrul District, Manipur, for the period from 1st October 2023 to 31st March 2024.

On the basis of the documents & records examined by us, we have observed the following:

1. TTA is maintaining project accounts separately as subsidiary records. In the main accounts only control entries are passed. Detail account is maintained in subsidiary books. As such global picture of the organisation accounts is not easily visible. We recommend that one account with Cost Centre approach for each project within it should be followed for better transparency and ease.

Risk Associated: Medium.

Management Response: Yes, we are maintaining separate accounts for two projects, as we separately have two projects. These two projects have different project titles, heads, as well as different project periods. So it is more convenient this way for our accounts maintenance.

At the end of March every year, there is a consolidated general accounts statement which includes accounts for all the projects. A global picture of the accounts is visible easily here.

2. TTA is maintaining vouchers properly but however defacing of vouchers with project seal was not done. We recommend defacing the vouchers with project seal.

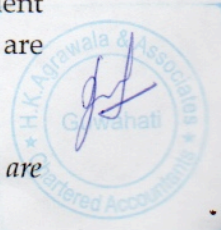
Risk Associated: Low.

Management Response: We are running two projects only and both are funded by Bftw. We have not defaced the voucher of this project but however for the 2nd project we have defaced the vouchers with project seal and as such risk of duplication of voucher is NIL. Further we will try as per the recommendation, but if it is not a big issue, we are more comfortable the way how we are maintaining now.

3. Accounting entries for deduction and payment of Provident Fund are not routed through Provident Fund payable ledger and are instead directly accounted on the date of payment, which may result in difficulties for identifying the exact amount of Provident Fund payable at the end of a respective period. We recommend that proper entries relating to Provident Fund should be passed by creating a liability ledger as an when such amounts are deducted.

Risk Associated: Low

Management Response: We will try as per the recommendation, but if it is not a big issue, we are more comfortable the way how we are maintaining now. Let's do a better way in the future.






4. As per the cooperation agreement the TTA contribution for the project should be 12% Approx (ie Euro 40000/334000). But however up till the reporting period the total contribution by TTA is 4.77 % only ie (INR 4,41,972/ 92,57,780)

Risk Associated: Low

Management Response: Last year, there were difficulties in getting fund from our communities. We are mobilizing and working on it to get more contribution from more well-wishers.

Date: 09-07-2024

Place: Guwahati


Director
Tangkhuil Theological
Associatio

For, H.K. Agrawala & Associates

Chartered Accountants

FRN: 319293E

Harish Kumar Agrawala

CA. Harish Kumar Agrawala

Partner

Membership No: 054776



TANGKHUL THEOLOGICAL ASSOCIATION
UKHRUL DISTRICT, MANIPUR, INDIA-795142

REVISED FINANCIAL REPORT

Project Period: 01.04.2023 to 31.03.2026

Reporting period from: 01.10.23 to 31.03.24

Project No/Project Title: N-IND-2023-0038, Ensuring Social, Ecological and Economic Stability of the community in Ukhrul and Kamjong districts, continuation

Project Partner (holder): TANGKHUL THEOLOGICAL ASSOCIATION, UKHRUL, MANIPUR, INDIA

I. INCOME/ RECEIPT

INCOME SOURCES	Total Planned Income (In Euro)	Total Planned Income in National Currency INR	INCOME IN NATIONAL CURRENCY (INR)						Total income 1st - 6th reporting period	Deviation from the plan based on national currency (%)
			1. Reporting Period	2. Reporting Period	3. Reporting Period	4. Reporting Period	5. Reporting Period	6. Reporting Period		
			01.04.2023 to 30.09.2023	01.10.2023 to 31.03.2024	01.04.2024 to 30.09.2024	01.10.2024 to 31.03.2025	01.04.2025 to 30.09.2025	01.10.2025 to 31.03.2026		
Respective reporting period:										
1.0 Non-Bread for the World Funds										
1.1 Funds balance from project no- N-IND2020-0049										
1.2 Project partner's own means	40,000.00	31,60,000.00								4,38,108.68
1.3 Domestic funds raised by project partner			2,25,608.68	2,12,500.00						
1.4 Foreign funds raised by project partner (except 1.6)										
1.5 Project partner's funds raised by the European Union										
1.6 Other German public funds raised by project partner										
1.7 Interest and exchange gains from non Bread for the World - Protestant Development Service fund			2,764.00	1,099.00						3,863.00
Total Amount Source 1.0	40,000.00	31,60,000.00	2,28,372.68	2,13,599.00						4,41,971.68
2.0 Funds provided from Bread for the World										
2.1 Bank transfers 1	2,94,000.00	2,32,26,000.00	45,51,175.00	10,52,603.00						84,60,108.00
Bank transfers 2			16,05,707.00	12,50,623.00						
Funds balance from project no- N-IND2020-0049			3,11,907.53							3,11,907.53
Total Amount Source 2.1	2,94,000.00	2,32,26,000.00	64,68,789.53	23,03,226.00						87,72,015.53
2.2 Interest on FC Fund			25,373.00	18,420.00						43,793.00
2.3 Exchange gains										
Total Amount Source 2.0	2,94,000.00	2,32,26,000.00	64,94,162.53	23,21,646.00						88,15,808.53
TOTAL INCOME	3,34,000.00	2,63,86,000.00	67,22,535.21	25,35,245.00						92,57,780.21

Remarks 1: Surplus Balance of previous phase amounting to Rs. 3,11,907.53 has been included in this project phase.

Remarks 2: Exchange rate = 1Euro = 79 INR

Debit notes (considered as income in the project account of Bread for the World)

Debit notes are also considered as expenditure (see page 2).

Debit Note No.	Amount in national currency
NIL	NIL

For, TANGKHUL THEOLOGICAL ASSOCIATION

[Signature]
Director
Tangkhul Theological Association

Place: Guwahati
Date:- 09-07-2024



In Terms of our report of even date
For, H K Agrawala & Associates
Chartered Accountants
FRN:319293E

[Signature]
CA. Harish Kumar Agrawala
Partner
Membership No.: 054776

TANGKHUL THEOLOGICAL ASSOCIATION
UKHRUL DISTRICT, MANIPUR, INDIA-795142

REVISED FINANCIAL REPORT

Project Period: 01.04.2023 to 31.03.2026

Reporting period from: 01.10.23 to 31.03.24

Project No./Project Title: N-IND-2023-0038, Ensuring Social, Ecological and Economic Stability of the community in Ukhrul and Kamjong districts, continuation

Project Partner (holder): TANGKHUL THEOLOGICAL ASSOCIATION, UKHRUL, MANIPUR, INDIA

II. EXPENDITURE/PAYMENTS

Expenditure Items	Total Planned Expenditure (in Euro)	Total Planned Expenditure in National Currency (INR)	Expenditure in National Currency (INR)						Total Expenditure 1st - 6th reporting period	Deviation from the plan based on national currency (%)
			1. Reporting Period 01.04.2023 to 30.09.2023	2. Reporting Period 01.10.2023 to 31.03.2024	3. Reporting Period 01.04.2024 to 30.09.2024	4. Reporting Period 01.10.2024 to 31.03.2025	5. Reporting Period 01.04.2025 to 30.09.2025	6. Reporting Period 01.10.2025 to 31.03.2026		
Respective reporting period:										
1 PROJECT ACTIVITIES	95,000.00	73,47,000.00	12,29,155.00	8,93,870.00	-	-	-	21,33,025.00	-70.97	
1.1 Building Capacities/ ToF: Leadership, Management, HR Development, Career Awareness and guidance, concept and policies development	41,700.00	32,94,300.00	774,840.00	3,54,360.00	-	-	-	11,29,200.00	-65.72	
1.2 Women Capacitation: Skill development & Leadership training	27,850.00	22,00,150.00	2,20,095.00	3,07,910.00	-	-	-	5,28,005.00	-76.00	
1.3 Training on Climate Crisis, Water Scarcity & Organic Food Production, Forest Maintenance, rain water harvesting	14,650.00	11,57,350.00	2,42,220.00	98,950.00	-	-	-	3,41,170.00	-70.52	
1.4 Research, Doc., Monitoring, networking	8,800.00	6,95,200.00	2,000.00	1,32,650.00	-	-	-	1,34,650.00	-80.63	
2 PERSONNEL	1,85,600.00	1,46,62,400.00	21,22,068.00	24,33,170.00	-	-	-	45,55,238.00	-68.93	
Programme Staff	1,41,070.00	1,11,44,530.00	16,14,798.00	18,51,555.00	-	-	-	34,66,353.00	-68.90	
2.1.1 Director (82%)	29,430.00	23,24,970.00	3,37,920.00	3,85,600.00	-	-	-	7,23,520.00	-68.88	
2.1.2 Program Officer	23,970.00	18,93,630.00	2,76,486.00	3,17,815.00	-	-	-	5,94,301.00	-68.62	
2.1.3 Research Coordinator	18,840.00	14,88,360.00	2,15,652.00	2,47,490.00	-	-	-	4,63,142.00	-68.88	
2.1.4 Women Coordinator	16,380.00	12,94,020.00	1,86,372.00	2,13,330.00	-	-	-	3,99,702.00	-69.11	
2.1.5 Field Assistant	14,120.00	11,15,480.00	1,61,340.00	1,85,350.00	-	-	-	3,46,690.00	-68.92	
2.1.6 Driver/ Mechanics	14,440.00	11,40,760.00	1,65,852.00	1,90,830.00	-	-	-	3,56,682.00	-68.73	
2.1.7 Weaving Incharge (Loom)	12,370.00	9,77,230.00	1,40,652.00	1,61,430.00	-	-	-	3,02,082.00	-69.09	
2.1.8 Weaving Staff (Tailoring)	11,520.00	9,10,080.00	1,30,524.00	1,49,710.00	-	-	-	2,80,234.00	-69.21	
Administrative Staff	44,530.00	35,17,870.00	5,07,270.00	5,81,615.00	-	-	-	10,88,885.00	-69.05	
2.2.1 Accounts Officer	20,210.00	15,96,590.00	2,30,736.00	2,64,440.00	-	-	-	4,95,176.00	-68.99	
2.2.2 Assistant Accountant	12,880.00	10,17,520.00	1,46,940.00	1,68,550.00	-	-	-	3,15,490.00	-68.99	
2.2.3 Care Taker	11,440.00	9,03,760.00	1,29,594.00	1,48,625.00	-	-	-	2,78,219.00	-69.22	
3 ADMINISTRATION	26,000.00	20,54,000.00	3,43,522.68	3,89,059.16	-	-	-	7,32,581.84	-64.33	
3.1 Electricity, Water, Telephone bill, Stationary, Audit, repairs.	26,000.00	20,54,000.00	3,43,522.68	3,89,059.16	-	-	-	7,32,581.84	-64.33	
4 PROCUREMENT	18,600.00	14,69,400.00	14,24,136.00	15,000.00	-	-	-	14,39,136.00	-2.06	
4.1 Vehicle, Printer	18,600.00	14,69,400.00	14,24,136.00	15,000.00	-	-	-	14,39,136.00	-2.06	
5 CONSTRUCTION	5,100.00	4,02,900.00	-	-	-	-	-	-	-100.00	
6 EVALUATIONS	5,100.00	4,02,900.00	-	-	-	-	-	-	-100.00	
6.1 Evaluation	5,100.00	4,02,900.00	-	-	-	-	-	-	-100.00	
7 RESERVE	3,34,000.00	2,63,86,000.00	51,28,881.68	37,31,099.16	-	-	-	88,59,980.84	-66.42	
SUB TOTAL 1 to 6	3,28,300.00	2,59,35,700.00	51,28,881.68	37,31,099.16	-	-	-	88,59,980.84	-66.42	
TOTAL EXPENDITURE	3,34,000.00	2,63,86,000.00	51,28,881.68	37,31,099.16	-	-	-	88,59,980.84	-66.42	

Debit Note No.	Amount in national currency
NIL	NIL

Remarks (if necessary):
Debit notes (considered as expenditure in the project account of Bread for the World)

* If expenditure is booked under the item "7. Reserve", the auditor describes in an explanatory note the nature of expenditure and confirms the consent of Bread for the World.

For, TANGKHUL THEOLOGICAL ASSOCIATION

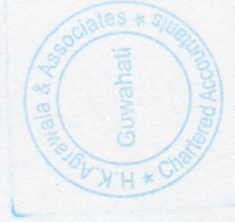
[Signature]
Director
Tangkhul Theological Association

Place: Guwahati
Date:- 09-07-2024

In Terms of our report of even date
For, H K Agrawala & Associates
Chartered Accountants

FRN:319293E
[Signature]
CA. Harish Kumar Agrawala
Partner

Membership No.: 054776



TANGKHUL THEOLOGICAL ASSOCIATION

UKHRUL DISTRICT, MANIPUR, INDIA-795142

Project Period: 01.04.2023 to 31.03.2026

Reporting period from: 01.10.23 to 31.03.24

Project No/Project Title: N-IND-2023-0038, Ensuring Social, Ecological and Economic Stability of the community in Ukhrul and Kamjong districts, continuation

Project Partner (holder): TANGKHUL THEOLOGICAL ASSOCIATION, UKHRUL, MANIPUR, INDIA

III. BALANCE OF PROJECT FUNDS AND CASH STATUS

PARTICULARS	In National Currency (INR)
1. Balance of project funds at start of reporting period	15,93,653.53
2. Add: Total income during the reporting period	25,35,245.00
3. Less: Total expenditure during the reporting period	37,31,099.16
4. Balance of project funds at end of the reporting period (A)	3,97,799.37

5. Cash Status

Particulars	Total
Cash in hand	30,000.00
Cash at Bank: IOB A/c No 073201000002337	32,078.20
Cash at Bank: SBI A/c No 3931	6,914.68
Cash at bank: UBI A/c No- 6254 (LC)	5,569.37
Cash at bank: UBI A/c No- 1719010330633	3,23,237.12
Total (B)	3,97,799.37

Reconciliation of Difference between (A) & (B)

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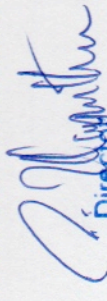
6. Detailed information on creditors and debtors (structured according to the approved expenditure items):

Creditors	Amount (INR)	Debtors	Amount (INR)
	-		-

This is to confirm that the contents of this financial report are in accordance with the information and structure of the expenditure and income plan and with the cooperation agreement between project partner and Bread for the World.

Remarks (if Necessary): Nil

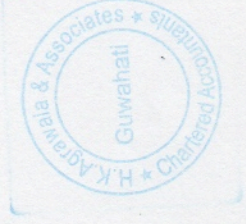
For, TANGKHUL THEOLOGICAL ASSOCIATION

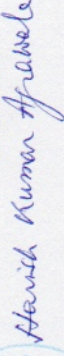

Director
Tangkhul Theological Association

Place: Guwahati

Date:- 09-07-2024

In Terms of our report of even date
For, H K Agrawala & Associates
Chartered Accountants
FRN:319293E



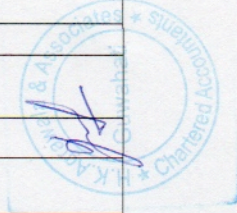

Harish Kumar Agrawala

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PLANNING										PERFORMANCE AND COMPLETION											
a	Inherent Risk Assessment (L - 5)			f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w
	b	c	d																		
Description of risk	Magnitude	Likelihood	Total	Significant risk? Y/N	Justification of risks and rating	Management's response	Description and assessment of any controls in each area	Description of control risk	Control risk assessment (High or Low)	Overall risk level (1-10)	Audit approach (responses to the assessed risks)	Ref.	Results of audit work (including any change to risk assessment and its effect)	Conclusion	Recommendation in Management Letter	Emphasis of matter, other matter or KAM	Ref.	Modification to the audit opinions			
2	Ghost Activities The organisation reports fictitious expenditure supported by false documentation and supports that with a fictitious activity when none, or far less, has actually taken place.	0	0	N	All the activities conducted are documented properly by the organization.	NIL	Documents such as activity report, attendance of participants, photographs evidencing the conduct of activity is maintained.	Controls are satisfactory.	LOW	0	1. Reviewing the activity reports. 2. Verifying whether the supporting vouchers are in line with the activity conducted. 3. Interviewing with project staff associated with the activity.		Satisfactory	Document support system is in place.	NO	NIL			NIL		
3	Related Party Transactions Relationships of any kind may be exploited to provide unfair or unreasonable benefit outside the project for which funds have been provided.	0	0	N	No significant related party transaction above arms length price was noticed.	NIL	Nil	NIL	LOW	0	1. Identifying suspicious large transaction and reviewing the same. 2. Reviewing various contract agreement and reviewing whether the same is fair and reasonable.		No significant related party transaction above arms length price was noticed.	No significant risk is noticed	NO	NIL			NIL		
4	False Documentation Documentation is created to provide apparent support as project expenditures when the project funds have been used for non-project purposes.	0	0	N	We have not come across any such documents which might be fictitious.	NIL	Original vouchers are kept and defacing is done with project seal.	Controls are satisfactory.	LOW	0	1. Verifying that the supporting documents are original and are defaced with project stamp.		Original Vouchers are kept.	No significant risk is noticed	NO	NIL			NIL		
5	Excessive cash payments Cash is used to make payments for non-project purposes. This avoids leaving an identifiable audit trail through bank accounts.	0	0	N	Percentage of Cash expenditure to total expenditure is only 2.30 %	NIL	Cash payments are made only to meet regular petty expenses such as office maintenance, local travelling only.	Controls are satisfactory.	LOW	0	1. Reviewing overall cash expenditure to identify suspicious large transactions.		Cash payment are made only for meeting petty expenditure.	No significant risk is noticed	NO	NIL			NIL		
6	Other Misuse of Funds Project assets are used for non-project purposes.	0	0	N	As informed project assets Viz printer and vehicle are used for the projects only. In case of vehicle log books are maintained.	Project assets Viz printer and vehicle are used for the projects only. In case of vehicle log books are maintained.	Vehicle log book is maintained.	Controls are satisfactory.	LOW	0	1. Reviewing of log books for verifying their usage for the project. 2. Reviewing whether there is a system in place to restrict uses to various equipments. 3. Informal conversation with the organisation's staff.		Informal conversation reveals that the assets of the projects are used for project purpose only. In case of vehicle, log books were maintained.	No significant risk is noticed	NO	NIL			NIL		



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a Description of risk	Inherent Risk Assessment (1 - 5)			f Justification of risks and rating	g Management's response	h Description and assessment of any controls in each area	i Ref.	j Description of control risk	k Control risk assessment (High or Low)	l Overall risk level (1-10)	m Audit approach (responses to the assessed risks)	n Ref.	o Results of audit work (including any change to risk assessment and its effect)	p Ref.	q Conclusion	r Recommendation in Management Letter	s Ref.	t Emphasis of matters other matter or KAM	u Ref	v Modification to the audit opinions	w Ref.
	b Magnitude	c Likelihood	d Total																		
b	Salary payments are recorded for employees that do not exist (ghost employees)	0	0	N	NIL	Salaries are paid to respective bank accounts only. Attendance register is maintained.	NIL	Controls are satisfactory.	LOW	0	1. Verifying whether the payment of salary is made directly in the bank account of the employee. 2. Verifying whether the salary are paid as per the attendance records.		Our audit approach does not reveals any payments made to employees that do not exist.		NO	NIL				NIL	
c	Salary rates are inflated, to benefit either individual employees or the organisation.	0	0	N	Salaries of employees are commensurate with responsibility of work rate, and local average rate.	Salaries of employees are determined on the basis of their qualifications and responsibilities by the committee.	NIL		LOW	0	1. Reviewing various contract agreement and reviewing whether the same is fair and reasonable. 2. Informal conversation with the organisation's staff.		No inflated payments were noticed.		NO	NIL				NIL	
d	The same assets or activities are reported as being part of this project and one or more other projects.	0	0	N	Complete segregation of project assets and activities are maintained.	Original vouchers are kept.	Accounting under cost centre will facilitate easy detection of double entry of one voucher in separate projects.	LOW	0	1. Verifying that the supporting documents are original and are defaced with project stamp. 2. Reviewing general ledger to identify if same cost has been allocated to other project. 3. Reading the project's narrative reports to understand the use of asset.		Original Vouchers are kept.		Yes	NIL	1				NIL	
e	The same activities are reported in more than one period as justification for expenditure that has not occurred.	0	0	N	NIL	NIL	NIL	LOW	0	1. Verifying approved budget. 2. Reviewing narrative reports of different periods.		All the vouchers were of current period only.		NIL		NO				NIL	
7	Compliance With the Cooperation Agreement - Presentation of Financial Statements																				
	The financial reports are not presented in accordance with the strict Brot für die Welt financial reporting framework.	0	0	N	Proper format with minimum content as prescribed has been followed.	NIL	NIL	NIL	LOW	0	1. Verifying whether the format is in line with standard format prescribed. 2. Verifying if cash basis accounting is followed.		Financial Statements are found to be in compliance with prescribed format...		NO	NIL				NIL	
8	Compliance With the Cooperation Agreement - Generally																				
	A project may comply well with those parts of the Cooperation Agreement that relate to financial matters, whilst failing to comply with other parts.	0	0	N	Guidelines of the cooperation agreement were in large complied with.	NIL	NIL	NIL	LOW	0	1. Reading the cooperation agreement and reviewing whether the same is followed.		Satisfactory		NO	NIL				NIL	

